

August 14, 1998; Updated 12/16/03 for instructions on coding for TPX addenda and on 1/23/04 to clarify payment information format in record 7 addenda.

## **CCD+ Electronic Funds Transfer for New Hampshire Insurance Department**

**Contents this document:** (This document has layout **for CCD+** type payment see NHID\_EFT\_CTX.pdf for CTX Format instructions). We accept our own defined addendum format and TPX banking convention addendum format as defined by the Bankers EDI Council.

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### ***New Hampshire Insurance Department (NHID) EFT Account***

Will be Deposit Only Zero Balance Account for the New Hampshire Insurance Department.

#### ***To Participate:***

- Be licensed company or company group representative or surplus lines broker.
- Have software for Automated Clearing House (ACH) Format, including CTX record and addenda format ability. Or CCD+ record and addenda format ability.
- Have sent contact data to [PremiumTax@ins.nh.gov](mailto:PremiumTax@ins.nh.gov): Contact Name, Who contact
- represents Company or Group, Mail Address / Daytime phone / Email Address.
- For payment of other types of fees; send contact data to [Business@ins.nh.gov](mailto:Business@ins.nh.gov)
- Please report any change in Contact Data as soon as possible by same method

#### ***WHAT PAYMENT METHODS ARE ALLOWED?***

Current payment method accepted is the ACH Credit. Should an emergency arise which prevents a payment from being transmitted please call the Insurance Department at (603) 271- 2261. NHID will be setting up an EFT debit process in time for the March 15, 2004 tax due date.

#### ***WHEN DO I MAKE OR ORIGINATE A PAYMENT?***

EFT does not change any existing requirements of New Hampshire state law. To be considered timely, your tax payment must be deposited into the state's bank account by the payment due dates. Each financial institution and the Federal Reserve have different processing deadlines. You must check with your financial institution to determine when you should originate your payment so that it will be deposited to the state's account by the required due date to avoid the imposition of penalties. It is generally recommended that the ACH Credit transaction be initiated two days prior to the effective date (due date) of the transaction. Because of timeliness requirements NHID strongly recommends testing.

## ***AUTOMATED CLEARING HOUSE (ACH) CREDIT***

### ***WHAT IS THE ACH CREDIT OPTION?***

The ACH Credit method allows you to transfer funds by instructing your financial institution (technically referred to as the "Originating Depository Financial Institution") to debit your account and to credit the state's bank account.

### ***IS THERE A COST FOR ACH CREDIT?***

You must pay the fees charged by your financial institution for any setup costs and for each ACH Credit transaction initiated.

### ***ARE THERE SPECIFIC RECORD FORMATS?***

In order to report your payment correctly, your financial institution must originate your payments using Cash Concentration of Disbursement (CCD) format detail & addenda records. The formats for Record types 5, 6, 7 and 8 are described in detail beginning on page 4 of this guide. You should check with your financial institution to make sure it can transfer your tax payment using this record format.

### ***HOW DO I MAKE OR ORIGINATE A PAYMENT?***

Since your financial institution will transfer your payment, you should contact it for the specific procedures you should follow.

### ***TESTING THE SYSTEM BEFORE MAKING A PAYMENT?***

New Hampshire Insurance Department recommends a pre-notification (prenote) test to validate the state's bank transit number, bank account number and taxpayer information. All payers participating in this EFT program should complete a successful prenote test at least 10 calendar days prior to the due date of their first EFT payment.

### ***WHAT IS A SUCCESSFUL PRENOTE TEST?***

A successful prenote test means the Insurance Departments financial institution has received a zero dollar transaction that includes Record 5, Record 6, Record 7 and Record 8 error free. The prenote test should include all fields in each record. You will be notified of any errors in your prenote test and will be asked to send a prenote test until one is error free.

### ***DO I NEED TO SEND A PRENOTE IF I MAKE A CHANGE TO MY BANK OR SOFTWARE?***

New Hampshire recommends that you send a new prenote whenever you make a change to your account, financial institution, or software program.

### ***HOW DO I MAKE CORRECTIONS?***

If you make an ACH Credit payment and realize after the fact that a mistake has been made, you must contact your financial institution for its correction procedures. Also, please Email [PremiumTax@ins.nh.gov](mailto:PremiumTax@ins.nh.gov) or telephone the Insurance Department at (603) 271-2261.

***HOW DO I VERIFY TIMELY PAYMENTS?***

With the ACH Credit payment method, your financial institution will be responsible for verification of timeliness.

***IS THERE ANY PROOF OF PAYMENT?***

If proof of payment is required, it is the payer's responsibility to work with its financial institution to obtain verification that funds were transferred from the taxpayer's account into the state's account. Your bank can supply you with a trace number that it generates for the ACH network.

***CAN I RECEIVE REFUNDS THROUGH EFT OR REVERSE A PAYMENT?***

Refunds will not be issued electronically through the ACH network, at this time (January 2004). NHID will be exploring payment by EFT through the State Treasury for future refunds. No reversals will be allowed except in cases permitted by ACH rules and regulations.

***WHAT INFORMATION IN EFT ASURES OBLIGATIONS ARE CREDITED***

NHID relies on information contained in the addendum records. Complying with NHID requirements on coding addendum facilitates credit of your account with minimum research.

***ADMINISTRATION SCHEDULE***

If a payment due date falls on a legal holiday or weekend, the tax payment must be received on the first business day after the holiday or weekend. If your financial institution is closed on a day that you wish to initiate your transfer, you must contact it one day prior to the observed holiday. Financial institution holidays in other states may vary from New Hampshire holidays. In some cases, specific banks may need 48 hours notice to initiate your transaction.

NH State Holiday Schedule:

|                             |                        |
|-----------------------------|------------------------|
| New Year's Day              | Veteran's Day          |
| Washington's Birthday       | Thanksgiving Day       |
| Memorial Day                | Day after Thanksgiving |
| Independence Day            | Christmas Day          |
| Labor Day                   | New Year's Day         |
| Civil Rights/M.L.K Birthday |                        |

## RECORD FORMATS FOR ACH CREDIT CCD+ FORMAT

The following pages describe the data contained in CCD Entry Detail and Addendum, and Company/Batch Control Records (Records 5, 6, and 7). For complete information on NACHA formats, rules, specifications and definitions, please refer to the NACHA Rule Book.

### RECORD 5 COMPANY BATCH HEADER FORMAT

| Field | Position | Size | Contents     | Data Element Name         |
|-------|----------|------|--------------|---------------------------|
| 1     | 1-1      | 1    | "5"          | Record Type Code          |
| 2     | 2-4      | 3    | "200"        | Service Class Code        |
| 3     | 5-20     | 16   | Alphanumeric | Payer Name                |
| 4     | 21-40    | 20   | Alphanumeric | Discretionary Data        |
| 5     | 41-50    | 10   | Alphanumeric | Company ID Number         |
| 6     | 51-53    | 3    | "CCD"        | Standard Entry Class      |
| 7     | 54-63    | 10   | Alphanumeric | Company Entry Description |
| 8     | 64-69    | 6    | YYMMDD       | Company Descriptive Date  |
| 9     | 70-75    | 6    | YYMMDD       | Effective Entry Date      |
| 10    | 76-78    | 3    | Blank        | Settlement Date           |
| 10    | 79-79    | 1    | "1"          | Originator Status code    |
| 12    | 80-87    | 8    | Alphanumeric | Originating Bank Number   |
| 13    | 88-94    | 7    | Numeric      | Batch Number              |

If your software permits use the field "Company Entry Description" to describe the type of payment being made via EFT. The requested description to be used in this field is "Premium Tax" or "Assessment", etc. Depending on what payment is for.

### RECORD 6 ENTRY DETAIL FORMAT

| Field | Position | Size | Contents     | Data Element Name/description |
|-------|----------|------|--------------|-------------------------------|
| 1     | 1        | 1    | 6            | Record Type Code              |
| 2     | 2-3      | 2    | Numeric      | Transaction Code              |
| 3     | 4-11     | 8    | Numeric      | Receiving Bank Number         |
| 4     | 12       | 1    | Numeric      | Check Digit                   |
| 5     | 13-29    | 17   | Alphanumeric | Receiving Bank Account Number |
| 6     | 30-39    | 10   | \$\$\$\$\$cc | Amount                        |
| 7     | 40-54    | 15   | Alphanumeric | Payer ID Number               |
| 8     | 55-76    | 22   | Alphanumeric | Receiver Identification *     |
| 9     | 77-78    | 2    | Alpha        | Discretionary Data            |
| 10    | 79       | 1    | Numeric      | Addenda Record Indicator      |
| 11    | 80-94    | 15   | Numeric      | Trace Number                  |

\* When using TXP format addenda records, "Receiver Identification" data element must be the name of the Company that the tax payment in addenda record refers to.

Addenda record indicator will be "1" for both payment and pre-note. NHID requests that no payment be transmitted without an addenda record.

## RECORD 7 CCD ADDENDUM FORMAT

| Field | Position | Size | Contents     | Data Element Name                            |
|-------|----------|------|--------------|--|
| 1     | 1        | 1    | "7"          | Record type code                             |
| 2     | 2-3      | 2    | "05"         | Addenda type code                            |
| 3     | 4-83     | 80   | Alphanumeric | <b>Payment Information</b> (breakdown below) |
| 4     | 84-87    | 4    | Numeric      | Addenda Sequence Number                      |
| 5     | 88-94    | 7    | Numeric      | Entry Detail Sequence Number                 |

### Field 3 "Payment Information":

NHID accepts two different formats in "Payment information"

- Our own specification per below instructions.
- Tax Payment (TXP) banking convention, instructions on next page.

NHID requires the following information be contained in "Payment information" for both our own and TPX formats:

- 1) What is being paid for,
  - a. **PTX** is our shorthand for Premium tax OR
  - b. **071** is the TPX format code for Premium tax.
- 2) Due date of the payment, this needs to be **tax due date** not calendar year.
- 3) Who is being paid for: NHID greatly prefers addenda contain the **NAIC Company code**; for TPX formatted records **we define the five digit NAIC company code as your Tax Id**. We accept the use of FEIN, SSN, or National Producer Number if your organization doesn't have an NAIC Company code; this would be the case for Surplus Lines brokers.

NHID requests that if your software permits, that contact information for payment be included in payment information.

ACH Network banking conventions employ an asterisk (\*) as a data element separator and a backslash (\) as a terminator.

### NHID defined Format for Field 3 "Payment Information":

Item 1: PTX\*

Item 2: <Due Date>\* YYMMDD or m/d/yy

Item 3: <NAIC Company Code>\* Is 5 character code assigned by NAIC

Item 4: <Company Name>\* Truncate as needed to < 40 characters

Item 5: <Contact info>\ Contact Name & phone #

**Example:** PTX\*030315\*12345\*Company Name\*John Doe603.271.2261\

NHID has been informed that some commercial CCD+ software reserves positions 4–6, for the text "NTE" in that case just right justify the "PTX" text and the respective data items.

**Example:** NTEPTX\*12/15/03\*12345\*Company Name\*John Doe 603-271-2261\

### **TPX format alternative:**

When using TXP format the Name of the Company paid for is obtained from the Record 6 detail record.

#### **Format for Field 3 “Payment Information”:**

Item 1: TPX\* The letters “TPX”  
Item 2: <NAIC Company Code>\* Is 5 character code assigned by NAIC  
Item 3: <Tax code>\* See ACH tax type code table below  
Item 4: <Due Date>\* YYMMDD see due dates in table below  
Item 5: T\* The letter “T” for tax  
Item 6: <Amount Due>(\* or \) \$\$\$\$\$\$cc  
Items 7 through Items 10: (interest and penalty are not needed) \

“TPX” + \* + “tax payer id” + \* + “tax type code” + “\*” “due date” + \* + “T” + “tax amount (\$\$\$\$cc)” + \* + “I” \* + \$cc + \* + P + \* + \$cc + “\”

#### **Examples (dummy NAIC code 12345, premium tax, due 3/15/2003, for \$200):**

TXP\*12345\*07103\*030315\*T\*0000020000\

TXP\*12345\*07103\*030315\*T\*0000020000\*I\*000\*P\*000\

The TPX convention has 3 char tax type code and permits a two char state extension. NHID has determined to tie the extensions to 071(premium tax code) to event & due date as follows:

#### **ACH**

| Tax type Code | Related Event  | Due Date                   | YYMMDD 2004 |
|---------------|--|----------------------------|-------------|
| 07101         | Surplus lines tax due  | January 31                 | 040131      |
| 07103         | Licensed company premium tax   | March 15 <sup>th</sup>     | 040315      |
| 07105         | Ocean Marine tax   | May 1 <sup>st</sup>        | 040501      |
| 07106         | Licensed company estimate due  | June 15 <sup>th</sup>      | 040615      |
| 07107         | Administrative assessment due  | July 1 <sup>st</sup>       | 040701      |
| 07109         | Licensed company estimate due  | September 15 <sup>th</sup> | 040915      |
| 07112         | Licensed company estimate due  | December 15 <sup>th</sup>  | 041215      |
| 07119         | Company amendments & audit assessments (Original due date of filing) |                            |             |

## ***GLOSSARY OF ACRONYMS/TERMS***

**ACH** - "Automated Clearing House" means any entity that operates as a clearing house for electronic debt or credit entries pursuant to an agreement with an association that is a member of the National Automated Clearing House Association.

**ACH Credit** - The "ACH Credit" is one means by which money is transferred electronically through the Automated Clearing House (ACH) Network. An ACH credit transaction is one in which the payer, through its bank, originates an entry crediting the state's designated bank account and debits its own bank account for the amount of the payment.

**CTX** – “Corporate Trade Exchange” Credit or debit entries originated by an originator to pay or collect an obligation. CTX entries may be accompanied by up to 9.9999 Addenda Records.

**CCD +-** "Cash Concentration of Disbursement" CCD + entries are accompanied by one addenda record.

**EFT** - "Electronic Funds Transfer" is a term that identifies any system used to transfer payments or funds electronically. EFT refers to any transfer of funds, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic terminal, telecommunications instrument, computer or magnetic tape, to order, instruct or authorize a financial institution to debit or credit an account.

**FRB** - "Federal Reserve Bank" is the central banking system of the United States, consisting of 12 regional reserve banks and member depository institutions that are subject to Reserve requirements.

**NACHA** - The "National Automated Clearing House Association" is the organization that establishes the standards, rules and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

**NAIC** – The “National Association of Insurance Commissioners”

**NHID** – The “New Hampshire Insurance Department”.

**ODFI** - The "Originating Depository Financial Institution" is the organization that originates ACH entries at the request of, and by agreement with, its customers. ODFI's must abide by the provisions of the NACHA Operating Rules and Guidelines.

**Prenote Test** - This test is a zero-dollar entry sent through the ACH network to verify banking information.

**Settlement Date** - The date an exchange of funds, with respect to an entry, is reflected on the books of the Federal Reserve Bank.